



PRESS RELEASE

House National Security Committee

Floyd D. Spence, Chairman

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STATEMENT OF CHAIRMAN FLOYD D. SPENCE

FULL COMMITTEE HEARING ON THE DEFENSE

REFORM INITIATIVE

March 11, 1998

Today the Committee will consider the broad subject of defense reform, with a particular focus on the Defense Reform Initiative or "DRI" unveiled last November by Secretary Cohen.

A little more than one year ago, the Committee received testimony from then Deputy Secretary of Defense White on the implementation of a number of organizational and process reforms enacted by Congress over the previous two years. Looking back, I think it is fair to say that the Pentagon's basic message was – "thanks, but we do not need Congress to tell us how to reform, and oh, by the way, just give us more BRAC rounds and everything will be fine."

That hearing and a later one in June formed the basis for what was to become the Defense Reform Act, an aggressive and ambitious package of reform, reported by this committee with strong bipartisan support and later adopted on the House floor by an overwhelming vote of 405 to 14.

Today, we have before us the new Deputy Secretary of Defense and the topic is once again defense reform. I hope that the message we will hear today will be significantly different than it was last year. Although the Defense Reform Act was greeted with resistance, and even hostility, by the Department and our colleagues in the other body, many of its key elements nonetheless reappeared in one form or another in Secretary Cohen's DRI late last year.

But regardless of the parentage of many of the DRI initiatives, what is important is that there is a DRI and the Department, under the determined hand of our witness this morning, appears committed to pursuing meaningful reform. For this, I commend Secretary Cohen and Deputy Secretary Hamre, and reaffirm my commitment to work with them to achieve a more efficient and productive Department of Defense.

Having said this, however, I feel compelled to raise several cautionary points.

First, a preliminary look at the specifics contained in the DRI raise a number of issues that will require Congress' careful attention. For instance, the DRI does not comply with standing law on matters such as acquisition workforce and headquarters staff reductions. The DRI also appears to downgrade the effectiveness of key policy organizations with functions of particular interest to this Committee such as counterproliferation and export control policy. There are other specific areas of concern that, in the interest of time I will not list now. Nonetheless, they will require close scrutiny as we work with DOD to implement many of these reforms.

However, I believe the most important point to make on the issue of reform has nothing to do with the specifics, and has everything to do with how reform is used in the broader political and budget debate. Defense reform is like motherhood and apple pie — Everyone is for it.

But the universal appeal and necessity of reform by no means translates into timely solutions to budget shortfalls. While sound reforms will intuitively result in some savings, significant savings, if they occur, are unlikely to do so in a time frame that impacts near or even mid-term budgets.

This is clearly the case with base closings. A principal component of the Secretary Cohen's DRI is the proposal for two more rounds of base closures. In fact, judging from some of the recent rhetoric coming from the Pentagon, you would think "BRAC" was the miracle cure for readiness, modernization, quality of life shortfalls and everything else that ails the Department of Defense. The politics have evolved to the point where we recently witnessed a senior Air Force official openly threaten to ignore the BRAC process and the needs of local communities by unilaterally closing facilities.

Even if Congress decided to put aside legitimate concerns about the integrity of the BRAC process following the President's actions back in 1995; And even if Congress agreed to provide the requested authority to proceed with another two base closure rounds in 2001 and 2005; And even if these BRAC rounds proceeded legitimately and apolitically, under the most optimistic of scenarios, not one penny is likely to be saved until the later part of the next decade or beyond. In fact, for the first five years or so following a BRAC round, the process of closing bases will result in significant additional net costs to an already underfunded defense budget.

We are ten years into the BRAC experience and there is still a legitimate debate about whether we are actually saving any money yet. So calling for more BRAC rounds may make for good theater, but it offers no solutions in the foreseeable future to the serious shortfalls confronting the services.

There should be no misunderstanding — sensible Department of Defense reform should proceed regardless of whether it saves money in the near term or not. On this count, I believe this Committee's track record speaks for itself. But attempts to market reform, BRAC or otherwise, as the magic solution for the worsening budget-resource problems facing the military services is misleading. And it also serves only to draw attention away from serious readiness, quality of life and modernization problems that require more immediate attention.

I suspect that our very able witness today may have a different take on some of this and I am sure that he will, as always, present the Department's case in clear and compelling terms. Accordingly, I look forward to his testimony and to the discussion that follows.